GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:426
ANSWERED ON:23.11.2012
LOAN DISBURSEMENT BY BANKS
Shivanagouda Shri Shivaramagouda

Will the Minister of FINANCE be pleased to state:

(a) whether the Scheduled Commercial Banks have been able to achieve the targets fixed for loan disbursement during the last three years and the current year;

(b) if so, the details thereof, bank-wise, year-wise; and

(c) if not, the reasons therefor along with the steps proposed to be taken to achieve the targets in future?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) to (c): The Reserve Bank of India (RBI), in general, does not set any specific target for lending for Scheduled Commercial Banks (SCBs). However, as per the existing RBI guidelines, the domestic commercial banks are required to lend 40% of their Adjusted Net Bank Credit (ANBC) or credit equivalent amount of Off-Balance Sheet exposure, whichever is higher to the priority sector areas. Similarly, the targets for these banks for agriculture and weaker sections are 18% and 10% respectively of their ANBC or credit equivalent amount of Off-Balance Sheet exposure, whichever is higher. For foreign banks, the overall priority sector target is 32% of ANBC or credit equivalent amount of Off-Balance Sheet exposure, whichever is higher. Within this target, there are targets for lending to MSE and export sectors at 10% and 12% respectively. There have been such targets for SCBs for more than 3 years.